

HB 2462 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 3/23

WHAT THE MEASURE DOES:

Requires pharmacy benefit manager to amend contract with pharmacy or pharmacy services administrative organization or take other steps to adjust reimbursement paid to pharmacy or pharmacy services administrative organization to take into account costs incurred from new taxes or fees. Prohibits pharmacy benefit manager from taking retaliatory action against pharmacy or pharmacy services administrative organization. Requires insurers to submit for review by Department of Consumer and Business Services contracts with pharmacy benefits managers and reimbursement paid by pharmacy benefit manager to ensure reimbursement is sufficient to enlist enough pharmacies for insurer to meet network adequacy standards.

REVENUE: statement issued - further analysis required.

FISCAL: statement issues - further analysis required.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmacy benefit managers (PBMs) are intermediaries between health insurers, pharmacies, wholesalers, and manufacturers. Most health insurers contract with PBMs to provide third-party administrative services for insurer's pharmacy benefits, with the goal of cost-containment. PBM services can include claims processing, formulary, and benefit design (tiers, utilization management, cost-sharing), pharmacy network contracting, and rebate negotiation with manufacturers. Additional services PBMs provide include administration of mail order or specialty pharmacy services. Insurers can choose if and what services they contract with PBMs to perform on their behalf. In Oregon, PBMs are required to register with the Department of Consumer and Business Services. In 2019, House Bill 2185 passed, which established new restrictions on PBMs in Oregon including mail order, specialty pharmacy prescriptions, and reimbursement processes between PBMs and pharmacies.

House Bill 2462 modifies regulation of pharmacy benefit managers in Oregon.